



For Immediate Release

April 11, 2012

Contact: David Duran

916-322-1447 or 916-531-7317 (mobile)

Runner Announces Senator Dutton Will Author Gas Tax Cap

George Runner today announced that Senator Bob Dutton will soon introduce Runner's proposal to cap the gas tax.

"Senator Dutton is stepping forward to fight for California consumers who are sick of high gas prices," said Runner. "Lawmakers like to complain about high gas prices. Now they have a chance to do something to help."

The legislation would cap the state excise tax on gasoline at 35.7 cents and limit sales tax to the first \$4.00 per gallon of gasoline. It would also cap diesel taxes at their current levels.

"I'm happy to carry this piece of legislation developed by Senator Runner," said Senator Dutton. "It will ensure taxpayers aren't gouged by additional taxes when gas prices rise above \$4 a gallon, as motorists have experienced the last several months."

Dutton added, "I believe California's economy is best served when the residents have the ability to hold on to more of their hard-earned paychecks. We all feel the financial burden of increased gas prices and those high prices should not result in a windfall for government."

Both elected officials warned that should the average annual fuel price rises just one dollar—from \$4 to \$5 per gallon—the typical California consumer would be forced to pay 8 cents more in taxes per gallon. For most consumers this would translate into a \$1 or more in additional tax for each tank of gas.

As a whole, California consumers would be burdened \$1.4 billion more in gas taxes each year – on top of the nearly \$7 billion in taxes they are already paying.

"Most Californians don't realize they're already paying about \$10 in tax each time they fill up their gas tank," said Runner. "Without a cap, that number could get even worse."

According to the [American Petroleum Institute](#), California's gasoline taxes and fees, averaging 69 cents per gallon, are the second highest in the nation. California's diesel taxes, averaging 79.5 cents per gallon, are the highest in the nation.

Among these taxes and fees are a federal excise tax of 18.4 cents per gallon, a state excise tax of 35.7 cents per gallon and a sales tax that averages 3.12%. Notably, the sales tax is calculated on the total price of the fuel sale including excise taxes, resulting in double taxation—California consumers pay a tax on a tax.

The measure would not worsen the state's budget, as Governor Jerry Brown's budget proposal projected average quarterly fuel prices of no greater than \$3.82 during the 2012-13 fiscal year.

The proposal, which has received early support from the National Tax Limitation Committee, will be amended into SB 1396 with an urgency clause, ensuring that it will take effect immediately once signed by the Governor.

#